

LAW OFFICES
FARRAR & BATES, L.L.P.

J. Russell Farrar
William N. Bates
Kristin Ellis Berexa
Teresa Reall Ricks
Molly R. Cripps
Mary Byrd Ferrara*
Robyn Beale Williams
Jennifer Orr Locklin
P. Andrew Wright, Jr.

211 Seventh Avenue North
Suite 420
Nashville, Tennessee 37219

Telephone 615-254-3060
Facsimile 615-254-9835
E-Mail: fblaw@farrar-bates.com

Of Counsel

H. LaDon Baltimore
Joseph S. Reeves III
Gregory E. Seneff, Sr.

*Also licensed in KY

June 28, 2002

David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

RE: BellSouth Telecommunications, Inc.'s Entry Into Long Distance (InterLATA)
Service in Tennessee Pursuant to Section 271 of the Telecommunications Act of
1996; Docket No. 97-00309

Dear Mr. Waddell:

Enclosed for filing are the original and 13 copies of KMC Telecom's List of Issues.

Copies of the enclosed are being provided to counsel of record. Thank you for your assistance. If you have questions, please do not hesitate to contact me.

Sincerely,



H. LaDon Baltimore

LDB/dcg

Enclosures

cc: John McLaughlin, Jr.
Andrew M. Klein, Esq.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

**IN RE: BELL SOUTH TELECOMMUNICATIONS, INC.'S ENTRY INTO LONG
DISTANCE (INTERLATA) SERVICE IN TENNESSEE PURSUANT TO
SECTION 271 OF THE TELECOMMUNICATIONS ACT OF 1996**

DOCKET NO. 97-00309

**ISSUES LIST OF KMC TELECOM III, INC. AND
KMC TELECOM V, INC.**

KMC Telecom III, Inc. and KMC Telecom V, Inc. ("KMC"), through counsel, hereby submit the following issues list:

I. Competitive Checklist Requirements At Issue

- A. Item i: Interconnection
- B. Item iv: Access to Loops
- C. Item xiii: Reciprocal Compensation

II. Outline of Issues

1. BellSouth has billed (and KMC has paid) several million dollars for Interconnection facilities that were agreed to be bill and keep, based primarily on a fictional PLF (Percent Local Facility) that BellSouth employed between June 2000 and December 2001.
2. BellSouth improperly commingled traffic on outbound local trunks, and is refusing to pay several million dollars that is properly due and owing.

3. Blocking access to loops via BellSouth DSL and Its Extremely Poor Loop Performance (particularly in area of hi-cap loops).

Respectfully submitted,



H. LaDon Baltimore (BPR #3836)
Farrar & Bates, L.L.P.
211 Seventh Avenue North, Suite 420
Nashville, TN 37219
Phone: (615) 254-3060
Facsimile: (615) 254-9835

Attorney for KMC Telecom III, Inc. and
KMC Telecom V, Inc.

Certificate of Service

The undersigned hereby certifies that on this the 28th day of June, 2002, a true and correct copy of the foregoing has been forwarded via U. S. Mail, first class postage prepaid, to:

Guy Hicks, Esq.
BellSouth Telecommunications, Inc.
333 Commerce Street, Suite 2101
Nashville, TN 37201

AT&T Communications of the South Central States
Sylvia Anderson, Esq.
1200 Peachtree Street, N.E., Room 4060
Atlanta, GA 30309

Charles Welch, Esq.
Farris, Mathews, et al.
618 Church Street, Ste. 300
Nashville, TN 37219

Henry Walker, Esq.
Boult, Cummings, Connors & Berry
PO Box 198062
Nashville, TN 37219

Susan Berlin, Esq.
MCI WorldCom
Six Concourse Parkway, Suite 3200
Atlanta, GA 20228

James Wright, Esq.
United Telephone-Southeast
14111 Capital Blvd.
Wake Forest, NC 27587

D. Billye Sanders, Esq.
Waller, Lansden, Dortch & Davis
511 Union Street, Suite 2100
Nashville, TN 37219

Jon Hastings, Esq.
Boult, Cummings, Connor & Berry
P. O. Box 198062
Nashville, TN 37219

Dana Shaffer, Esq.
XO Communications, Inc.
105 Molloy Street
Nashville, TN 37201


Guilford Thornton, Esq.
Stokes & Bartholomew PA
424 Church Street
Nashville, TN 37219

Donald L. Scholes, Esq.
Branstetter, Kilgore, Stranch & Jennings
227 Second Avenue North
Nashville, TN 37201

Tim Phillips, Esq.
Attorney General's Office
Consumer Advocate and Protection Division
PO Box 20207
Nashville, TN 37202

Henry Campen
First Union Capital Center
150 Fayetteville St. Mall, Suite 1400
Raleigh, NC 27602

Nanette Edwards, Esq.
ITC^DeltaCom
4092 South Memorial Parkway
Huntsville, AL 35802


H. LaDon Baltimore